

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7049

BILL NUMBER: HB 1436

NOTE PREPARED: Feb 20, 2004

BILL AMENDED: Feb 19, 2004

SUBJECT: Women and Minority Business Certification.

FIRST AUTHOR: Rep. Crawford

FIRST SPONSOR: Sen. Dillon

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions:

- A. It provides that standards developed and a certification made under the minority business enterprise law apply to standards and certifications for minority business enterprises and women's business enterprises under any other Indiana law. It makes changes in definitions in the minority business enterprise law. It makes conforming changes in the riverboat gambling law. It specifies that riverboat owners must annually file information regarding contracts with minority and women's businesses and specifies that this information is not confidential under the public records laws. It requires each state agency, separate body corporate and politic, and state educational institution to analyze the use of minority businesses, small businesses and women-owned business enterprises in the contracting done by the agency, separate body, or educational institution.
- B. It imposes an additional court fee for deposit in the Public Defense Fund.

Effective Date: (Amended) July 1, 2004; July 1, 2005.

Explanation of State Expenditures: (Revised) *Provision A* – This bill requires each state agency, body corporate and politic, and state colleges and universities to report to the Legislative Council by November 1, 2004, on their use of a special business enterprise in the entity's purchasing, construction, and contracting practices from CY1999 through CY2003. Special business enterprises are enterprises that are either minority- or women-owned or a small businesses.

Each entity is required to report the number of contracts awarded, the dollar value of the contracts, the type of the contacts awarded, and the efforts made by the entity to encourage special enterprises to contract with the entity.

This provision will increase the workload of all state agencies, bodies corporate and politic, and state colleges and universities. The impact of this provision on the affected entities will vary as each has different contracting needs and different capacities for providing the information needed to produce this report.

State Gaming Commission: While the provisions in this bill will require the Indiana Gaming Commission to make changes to its current procedures and receive additional information from riverboat owners, the administrative impact is presumed to be minimal.

State Lottery Commission: The bill will make the State Lottery Commission subject to the same goals and attainment rules issued by the Governor's Commission on Minority and Women's Business Enterprises. Any administrative impact caused by this provision is expected to be absorbed using existing resources.

Explanation of State Revenues: (Revised) *Provision B* – A Judicial Administration Fee would be charged on all civil, small claims, and probate filings, all criminal cases where a person is convicted of an offense, all juvenile cases, and all cases where a person is found to have violated an infraction or an ordinance. The fee would be \$1 for the period between July 1, 2004, and ending June 30, 2005. The fee would increase to \$2 beginning July 1, 2005.

For FY 2005, the \$1 fee would generate new revenue of \$1.05 M. For FY 2006 and each subsequent year, the fee would generate new revenue of \$2.1 M.

The proceeds from this fee would be initially deposited in the state General Fund. But twice a year, on June 30th and December 31st, a transfer of money would be made to the Public Defense Fund. Under current law, the amount that is transferred every six months is \$1.2 M. As proposed, the amount that is transferred would be \$1.7 M on December 31, 2004, and June 30, 2005. For each six-month period after June 30, 2005, \$2.2 M would be transferred from the state General Fund to the Public Defense Fund.

	Judicial Administration Fee	New Revenue Deposited in State General Fund	Added Revenue Transferred to Public Defense Fund	Net Effect on State General Fund
July 1 to December 31, 2004	\$1	\$528,494	\$500,000	\$28,494
January 1 to June 30, 2005	\$1	\$528,494	\$500,000	\$28,494
July 1 to December 31, 2005	\$2	\$1,056,987	\$1,000,000	\$56,987
January 1 to June 30, 2006	\$2	\$1,056,987	\$1,000,000	\$56,987

The following table shows the estimated new revenue that is generated for 12 months based on a \$1 fee.

	Trial Courts	City and Town Courts	Marion County Small Claims Courts	Totals
Felonies and Misdemeanors	\$51,868	\$21,086		\$72,954
Infractions	\$378,449	\$132,470		\$510,918
Ordinance Violations	\$51,636	\$12,707		\$64,343
Civil and Probate	\$149,567	\$11,258		\$160,825
Juvenile	\$13,521			\$13,521
Small Claims	<u>\$167,855</u>	<u> </u>	<u>\$66,570</u>	<u>\$234,425</u>
Totals	<u>\$812,896</u>	<u>\$177,521</u>	<u>\$66,570</u>	<u>\$1,056,987</u>

The following table shows the amount of new revenue generated for 12 months based on a \$2 fee.

	Trial Courts	City and Town Courts	Marion County Small Claims Courts	Totals
Felonies and Misdemeanors	\$103,736	\$42,172		\$145,909
Infractions	\$756,898	\$264,939		\$1,021,837
Ordinance Violations	\$103,272	\$25,414		\$128,686
Civil and Probate	\$299,134	\$22,516		\$321,650
Juvenile	\$27,043			\$27,043
Small Claims	<u>\$335,709</u>	<u> </u>	<u>\$133,141</u>	<u>\$468,850</u>
Totals	<u>\$1,625,791</u>	<u>\$355,042</u>	<u>\$133,141</u>	<u>\$2,113,974</u>

Explanation of Local Expenditures: (Revised) *Provision B* – This bill increases the amount of funds available in the Public Defense Fund. The Public Defense Fund reimburses counties for the costs of providing legal defense for indigent criminal defendants. The fund will reimburse counties for 50% of the qualified costs in death penalty cases and 40% in felony cases that are not death penalty cases.

Background: Public Defense Fund expenditures for partially reimbursing counties for the costs of capital cases are reported for each fiscal year between 1998 and 2003 in the following table.

Reimbursements for Capital Cases by Fiscal Year					
1998	1999	2000	2001	2002	2003
\$799,450	\$526,512	\$378,209	\$712,055	\$473,317	\$413,805

Reimbursements to counties for qualified noncapital cases as reported for FY 1998 through 2003 are provided in the following table.

Reimbursements (in Millions) for Noncapital Cases By Fiscal Year					
1998	1999	2000	2001	2002	2003
\$1.03	\$2.18	\$3.30	\$3.66	\$4.86	\$5.22

Explanation of Local Revenues:

State Agencies Affected: Governor's Commission on Minority and Women's Business Enterprises; Indiana Gaming Commission; Bodies Corporate and Politic; State Colleges and Universities; State Lottery Commission.

Local Agencies Affected: Counties; Public Defenders.

Information Sources: *2002 Indiana Judicial Report*.

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